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NCE WEEKLY
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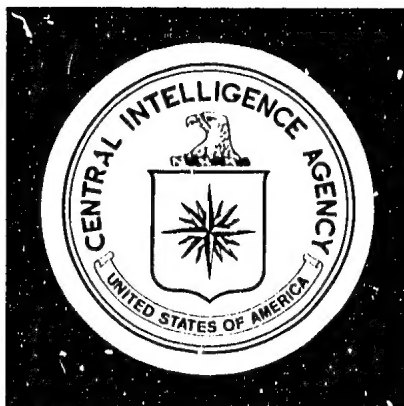
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Economic Intelligence Weekly

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The oil situation is now being covered mainly in International Oil Developments, published each Friday morning.

Note: Comments and queries regarding this publication are welcomed. They may be directed to Mrs.

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ECONOMIC INTELLIGENCE WEEKLY

Articles

BANNER AGRICULTURAL YEAR SPURS SOVIET ECONOMY

The USSR's year-end claims, published last week, show that the economy recovered sharply from the dismal performance of 1972. Among the achievements in 1973 were

- a real economic growth rate of about 8%;
- record harvests of grain, potatoes, vegetables, sunflower seeds, and cotton;
- recovery of industrial growth from the slowdown of 1972;
- marked increases in the availability of consumer goods, especially food.

The spurt in GNP reflects largely the comeback of farm output, from a drop of 7% in 1972 to an increase of 15% in 1973. Exceptionally good weather and greater supplies of chemical fertilizers were mainly responsible. The record grain harvest, following on massive imports, will enable the Soviets to rebuild stocks and even to export grain outside the Communist area.

Machinery production grew by 8% to lead the advance in industry. Output of industrial materials increased by 5.5% and production of consumer nondurables by 3.3%. Growth in energy production slowed somewhat as the depletion of older oil and gas regions intensified; as time passes, more and more investment in new capacity is required merely to maintain previous levels of output.

The chronic problems of slow assimilation of new technology and delayed completion of new facilities persisted in 1973. Nevertheless, programs to curtail the proliferation of new construction projects and concentrate investment in projects nearing completion were more successful than usual. Gross additions to new plant and equipment increased at nearly twice the previous year's rate, while the increase in unfinished construction dropped from 13% to less than 3%.

Soviet consumers benefited from substantial increases in food supplies – especially fruits, vegetables, and dairy products. With the help

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of the grain imports, the leadership managed to maintain meat consumption at about the 1972 level. Production of soft goods and certain consumer durables -- notably furniture and television sets -- grew faster than in 1972. Enough housing was built to permit a moderate increase in per capita living space.

Soviet Economic Growth Rates

	Percent		
	1971	1972	1973
Major aggregates			
Real GNP	4.2	1.7	7.9
Industrial production	6.0	5.2	5.9
Agricultural production	0.3	-7.2	15.3
Energy			
Coal	2.7	2.2	2.0
Oil and gas	6.9	7.3	6.9
Electric power	8.0	7.1	6.7
Per capita consumption	3.5	1.5	3.7
Food	3.2	0.1	3.9
Soft goods	3.3	1.3	2.1
Durable goods	4.2	6.0	5.3
Housing	2.3	2.4	2.1
Investment			
New fixed investment	7.2	7.1	4.0
Gross additions to fixed capital	6.3	3.4	7.7
Volume of unfinished construction	10.3	12.6	2.8

Soviet trade with the developed West increased by one-third in 1973, after a 25% increase in 1972. Trade with the West exceeded \$9 billion and again featured large imports of machinery and grain. The Soviet hard currency deficit of \$1.7 billion exceeded the previous record of \$1.4 billion set in 1972. The USSR financed these deficits by selling about \$1.3 billion in gold in 1972-73 and by drawing on Western credits for the remainder.

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SECRET**US-BULGARIAN TRADE: THE OPENING WEDGE***

US trade with Bulgaria -- Eastern Europe's most Soviet-oriented economy -- increased about 75% in 1973 and should continue to rise in 1974. Longer term prospects have brightened as a result of new trade contracts and a recent agreement with Kaiser Industries.

US exports grew considerably faster than imports, boosting the export surplus to \$2 million. Cigarettes, dried beans, and iron and steel plates and sheets accounted for almost one-half of the exports. The bulge in exports in 1970 reflected a large order for coke and other fuels. Rose oil, paprika, and cheese make up about one-half of US imports.

Visits last year by Deputy Ministers of Foreign Trade Lukanov and Peev underscored Bulgarian interest in US products and credits. American Can Co. signed a cooperative technology agreement, and million-dollar contracts were awarded to IBM and to the Farm Machinery Co. of California. The agreement between Bulgaria and Kaiser Industries has the greatest potential for expanding US-Bulgarian economic relations. Kaiser signed a memorandum of understanding on 26 January calling for studies on a number of high-priority projects, including a 12-million-ton steel complex, a large cement plant, reconstruction of port facilities, and possibly an aluminum combine. Kaiser offered to seek financing for the projects. Sofia also has ambitious plans for the chemical and farm sectors, which will require Western assistance.

Some projects could be held back by Western misgivings about Bulgaria's debt position. The debt service ratio in hard currency transactions -- approximately 40% -- is one of the highest in Eastern Europe. Moreover, if Bulgaria has to turn to the West for increased supplies of oil, basic chemicals, and other raw materials, foreign exchange problems will be further aggravated.

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US-Bulgarian Trade¹

	Million US \$				
	1965	1970	1971	1972	1973
US exports	3.6	15.3	4.4	3.4	6.5
US imports	1.7	2.4	2.6	2.9	4.5
US trade balance	1.9	12.9	1.8	0.5	2.0

1. US data. ■

* This is the fourth in a series of articles on current developments and prospects for US relations with the East European countries.

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US-CHINA TRADE: UP, UP, AND AWAY!

US-China trade jumped from only \$5 million in 1971 to \$95 million in 1972 and to \$755 million in 1973. It could reach the billion dollar mark in 1974.

The United States replaced Hong Kong last year as China's number two trading partner, behind Japan. US exports of almost \$700 million consisted primarily of agricultural products. Other exports included Boeing 707 aircraft and scrap metals. China sold the United States \$65 million worth of light manufactures and specialty products.

Commercial relations on an institutional level also progressed in 1973:

- liaison offices were established in Peking and Washington;
- US representation at the Fall Canton Fair reached a new high with 250 businessmen representing 130 firms;
- the Chase Manhattan Bank of New York established a correspondent relationship with the Bank of China;
- the National Council for US-China Trade, a private group composed of major American corporations, sent its first official delegation to China;
- China's counterpart, the China Council for Promotion of International Trade, agreed to a return visit some time this year.

We expect further substantial expansion of US-China trade in 1974. Peking already has signed contracts for 4.6 million tons of US grain for delivery in 1974, compared with 4.1 million tons delivered in 1973. Exports of American machinery and equipment also are expected to be higher this year than last year. China will import additional Boeing 707s and equipment for the petroleum, mining, and machine tool industries. Machinery for eight American-made ammonia plants, worth \$200 million, will start flowing into China this year, and the United States will supply technology and equipment for many of the \$1 billion worth of industrial plants China ordered from Japan and Western Europe in 1973.

The level of trade beyond 1974 will depend heavily on China's import needs for American agricultural products. Peking turned to the United States because of poor harvests and worldwide shortages of grain. China, which

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has grain contracts with Canada, Australia, and Argentina extending through 1976, plans to rely on the United States only as a contingency supplier. Even so, domestic and international agricultural developments could easily force Peking to continue substantial purchases from the United States.

The United States will remain a major supplier of high-technology items because of the involvement of US firms in existing Chinese contracts and the evident interest of Peking in spurring industrial modernization.

US-China Trade¹
January-October 1973

		Million US \$	
US Exports		US Imports	
Total	440.9	Total	51.8
Wheat	213.7	Manufactured goods	
		Of which:	
Corn	83.7	Cotton fabrics	4.8
Cotton	54.0	Tin and tin alloys	4.0
		Works of art	4.3
Aircraft	20.6	Raw materials	14.5
Scrap	19.2	Of which:	
Soybean oil	17.9	Raw silk	4.0
Soybeans	9.4	Animal materials	5.4
Other	22.4	Chemical products	
		(including fireworks,	
		oils, and resins)	6.3
		Foodstuffs	
		(including spices, nuts,	
		tea, and fruit	4.7
		Miscellaneous items	6.9

1. US data.

Although purchases of Chinese goods will continue to rise, the US export surplus will remain large for some time. Chinese exports are hampered by supply problems as well as problems of meeting the styling, packaging, and labeling requirements of the American market. Higher tariff rates on Chinese exports resulting from lack of MFN status, although irritating to Peking, have yet to be a major constraint on trade expansion.

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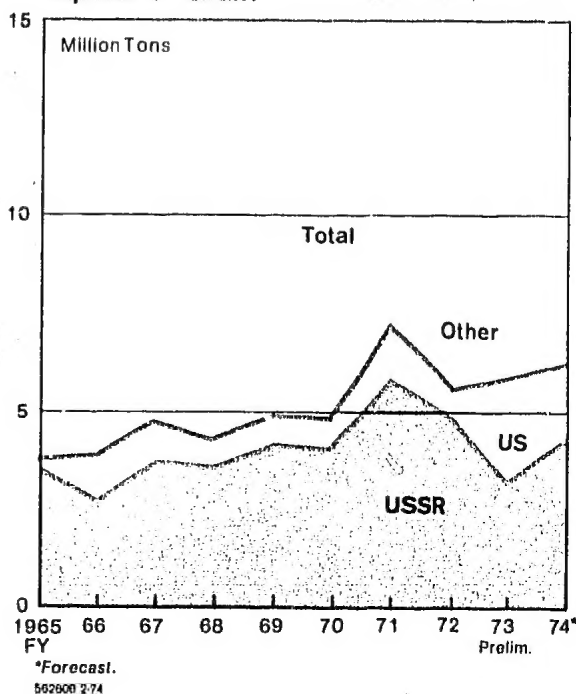
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EASTERN EUROPE NEEDS LESS US GRAIN

Last year's bumper harvest and increased imports from the USSR will reduce Eastern Europe's demand for US grain in FY 1974.

Agricultural production in Eastern Europe in 1973 was up for the third successive year. Output rose by 4% on the strength of a record grain harvest of nearly 74 million tons and a boost in livestock production. On the minus side, important non-grain feed crops were reduced by late summer drought. The northern countries will need about 8 million tons of imported grain to assure continued growth in livestock production. But Eastern Europe's net imports of grain will drop from about 7 million to 6 million tons because of larger exportable surpluses in Bulgaria, Romania, and Hungary.

**EASTERN EUROPE
Imports of Grain**



The USSR – coming off a bumper grain harvest – is expected to increase deliveries to the northern countries by 1.2 million tons this fiscal year. Imports of Western grain by these countries thus can drop by a similar amount. Purchases from the United States are expected to be down by about 700,000 tons, largely in wheat.

To judge from the current status of winter wheat, another record production year is unlikely in spite of an increase in sown acreage. Soil moisture levels are nearly 40% below normal in the area from Slovakia south into Bulgaria, and an inadequate snow cover over most of Eastern Europe has increased the vulnerability of grain plants to winterkill.

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SECRET**MONETARY AND FISCAL POLICY IN MAJOR OECD COUNTRIES**

Monetary and fiscal policies remain tight in six major OECD countries -- Canada, France, Italy, Japan, the United Kingdom, and West Germany. These countries are aware of the potential contractionary impact of sharply increased oil import bills. Nonetheless, they cite other concerns -- inflation, balance-of-payments problems, and international competitive position -- in justifying restrictive policies.

Of the six countries, only West Germany has recently taken stimulative measures, in order to soften the highly restrictive policies of last year. Bonn has now removed the 11% investment tax, liberalized depreciation allowances, offered incentives for housing construction, and increased expenditures above budgeted levels. The Bundesbank -- still a strong advocate of a tight money policy -- is liberalizing loans to hard-pressed firms.

Canada has continued to adhere to its moderately restrictive policies of last year. France, Japan, the United Kingdom, and Italy have all further tightened their policies since November 1973. To curb accelerating inflation, Paris has imposed various price restraints, squeezed credit, and speeded up tax collections. Japan raised its discount rate in December and subsequently announced a 1974 budget calling for slower growth in spending this year than last year. In response to serious labor problems and supply bottlenecks, the United Kingdom has taken several steps to dampen demand, including sharp cuts in government spending and limitations on installment credit. Italy is considering new tax measures to reduce its fiscal deficit.

As unemployment rates continue to rise, most of these nations can be expected to take steps to bolster demand some time in 1974. They may be tempted, however, to use exchange rate policy rather than fiscal and monetary tools to stimulate their economies. France, for example, probably will resist following up its decision to float the franc with expansionary domestic measures.

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MEXICO: GROWTH PROSPECTS STILL ENVIABLE

A shift to restrictive policies probably will cut Mexico's growth rate in half this year. Expansionary monetary and fiscal policy in 1973 sparked an 8% rise in real gross domestic product. It also created strong inflationary forces, which produced an 18% increase in wholesale prices, the sharpest rate in recent history. The government is switching to a restrictive monetary policy and an austere budget. As a result, economic growth in 1974 is expected to slow to 4% or 5%, still an enviable rate, compared with prospects in most major industrial countries.

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SECRET**Mexico: Balance of Payments**

	Million US \$				
	1970	1971	1972	Jan-Jun 1972	Jan-Jun 1973
Trade balance (f.o.b./c.i.f.)	-1,045	-891	-1,052	-392	-619
Services and transfers	122	188	263	111	185
Current account balance	-924	-703	-789	-281	-434
Errors, omissions, and short-term capital	477	194	214	97	-72
Long-term capital	504	669	790	397	491
Of which:					
Direct foreign investment	201	196	215	178	137
Amortization of public debt	-536	-456	-504	-270	-378
Allocation of SDRs	45	40	50	50
Balance of payments	102	200	265	263	-14

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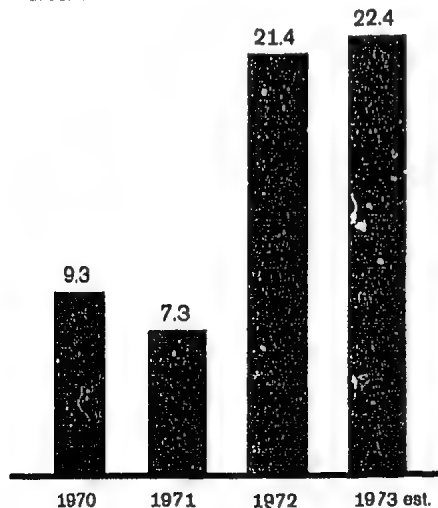
Financial developments last year contrasted sharply with Mexico's long-standing reputation for prudent economic management.

- Federal spending in 1973 exceeded budget limits by \$2.3 billion, or 16%.
- Public sector imports rose 70% in the first nine months; much of the increase reflected capital goods purchases by decentralized agencies such as the government oil monopoly and the federal electricity commission.
- The liberalized import policy led to a 45% increase in the trade deficit, despite a 30% increase in exports.
- Declining business confidence in the government's policies caused a \$72 million outflow of short-term capital and an appreciable slowdown in growth of direct foreign investment in Mexico during the first half.
- Government borrowing abroad increased sharply, with new loans in the first half of 1973 nearly equaling the total for 1972.
- The balance of payments registered a \$14 million deficit in the first half of the year, the first since 1965.
- During the second half, the government had to arrange a standby credit of \$500 million to support the peso in the foreign exchange markets.

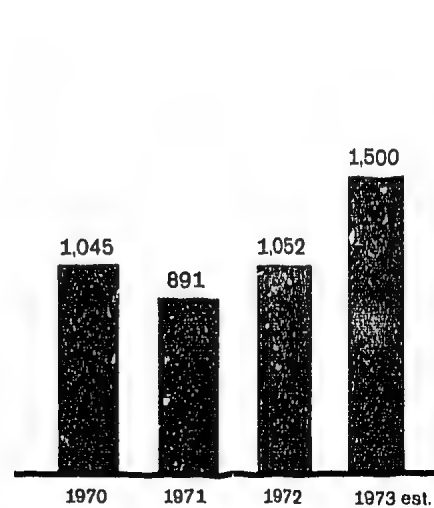
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SECRET**Mexico: Selected Economic Indicators**

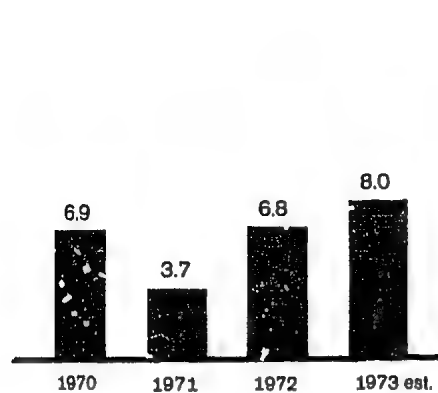
Growth of Money Supply
Percent



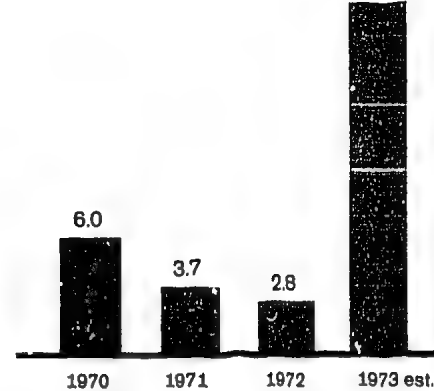
Deficit in Merchandise Trade
Million US\$



Growth of Real GDP
Percent



Increase in Wholesale Prices
Percent



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Domestic stabilization efforts will be complicated by the need to slow imports. Mexico presumably will reverse its liberal import policy to improve its foreign exchange position. The country does not have the production capacity to expand exports much further in 1974. Foreign markets probably would not be available anyway because of the general economic slowdown stemming from the energy crisis.

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SECRET**Notes****China: Dry Weather Threatens Winter Crops**

China's driest winter in recent years may depress output of winter crops, which account for one-fifth of China's grain and for one-third of its oilseeds. From October of last year until mid-January no precipitation was recorded over much of North China, and South China received only 25% to 50% of the norm. Drought prevails in the central Yangtze Valley, only partially relieved by rainfall in mid-January. Szechwan Province is the sole major agricultural region with nearly normal moisture conditions.

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Soviets Defer All US Wheat Shipments

Soviet Deputy Minister of Foreign Trade Alkhimov announced on Tuesday that shipment of the remaining wheat bought from the United States will be delayed until the new US wheat crop is harvested. This brings total deferred deliveries to 1.3 million tons. Alkhimov said that press reports of his "offer" to resell wheat to the United States were a misinterpretation of his remarks at a news conference last Monday. He claimed that "at the present moment, we are not going to supply anyone with grain, except the socialist countries." (UNCLASSIFIED)

Capital Controls Relaxed in Europe

Capital controls have been relaxed in a number of European countries in an effort to foster capital inflows and help offset the higher cost of oil imports.

- Bonn has lowered the cost of foreign borrowing while doubling the borrowing limit.
- Brussels has suspended the prohibition of interest payments on non-resident accounts.
- Bern has lifted the ban on foreign purchases of domestic securities.
- Paris has relaxed restrictions on foreign borrowing and lowered the cost to French banks of accepting non-resident deposits.

These moves reverse the trend toward greater regulation of capital flows evident during the financial crises of 1973.

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Publication of Interest

Soviet Economic and Technological Benefits from Detente

(CIA ER IR 74-2, February 1974, [REDACTED])

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US-Soviet detente has brought a succession of economic and technological benefits to the USSR: grain to offset a crop failure, access to technology and equipment previously denied, and long-term credits to finance imports. Moscow will benefit still further if it can acquire key military-related technology under the umbrella of detente.

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DOMESTIC ECONOMIC INDICATORS

GNP*

Constant Market Prices

	Latest Quarter	Percent Change from Previous		Average Annual Growth Rate Since		
		Quarter	1970	1 Year Earlier	Previous Quarter	
United States	73 III	0.9	5.0	5.7	3.7	
Japan	73 III	0.5	8.5	10.0	2.0	
West Germany	73 III	0.1	3.3	5.3	0.5	
France	73 II	0.7	0.2	8.7	2.9	
United Kingdom	73 III	0.9	4.5	11.3	3.9	
Italy	73 I	0.8	3.1	5.2	3.4	
Canada	73 III	0.4	5.7	6.9	1.7	

WHOLESALE PRICES

Industrial

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since		
		Month	1970	1 Year Earlier	3 Months Earlier	
United States	Dec 73	2.7	6.6	15.0	32.0	
Japan	Dec 73	7.1	8.9	29.0	61.6	
West Germany	Dec 73	0.9	5.3	8.8	11.0	
France	Nov 73	3.3	8.0	19.9	27.4	
United Kingdom	Dec 73	1.2	8.0	10.2	15.8	
Italy	Nov 73	1.6	9.0	21.1	17.5	
Canada	Nov 73	1.1	10.2	24.8	6.1	

INDUSTRIAL PRODUCTION*

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since		
		Month	1970	1 Year Earlier	3 Months Earlier**	
United States	Dec 73	-0.2	5.6	5.4	1.3	
Japan	Dec 73	-2.0	8.7	11.9	13.3	
West Germany	Oct 73	-1.1	3.8	6.5	7.7	
France	Nov 73	1.5	7.3	7.4	-2.6	
United Kingdom	Nov 73	0.4	3.5	4.1	1.6	
Italy	Nov 73	10.1	7.0	20.2	35.3	
Canada	Sep 73	1.8	6.0	8.3	-3.4	

CONSUMER PRICES

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since		
		Month	1970	1 Year Earlier	3 Months Earlier	
United States	Dec 73	0.7	5.2	8.9	9.5	
Japan	Dec 73	3.6	9.1	19.1	21.8	
West Germany	Dec 73	0.9	6.2	7.9	12.4	
France	Dec 73	0.6	6.7	8.5	10.9	
United Kingdom	Dec 73	0.7	8.9	10.6	14.8	
Italy	Dec 73	1.7	7.7	12.3	13.4	
Canada	Dec 73	0.6	5.6	9.1	6.7	

RETAIL SALES*

Current Prices

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since		
		Month	1970	1 Year Earlier	3 Months Earlier**	
United States	Dec 73	-1.3	10.2	7.8	4.1	
Japan	Sep 73	4.8	13.9	25.3	26.0	
West Germany	Oct 73	4.1	9.1	9.2	1.2	
France	Oct 73	2.2	6.5	12.5	3.1	
United Kingdom	Aug 73	0.7	1.1	12.1	14.8	
Italy	Aug 73	6.7	12.4	19.0	5.0	
Canada	Nov 73	0.3	10.1	10.5	8.0	

MONEY SUPPLY*

	Latest Month	Percent Change from Previous		Average Annual Growth Rate Since		
		Month	1970	1 Year Earlier	3 Months Earlier**	
United States	Dec 73	0.8	7.2	4.9	3.7	
Japan	Oct 73	-0.1	18.2	22.7	15.0	
West Germany	Nov 73	2.5	8.9	4.4	-1.6	
France	Nov 73	-0.4	11.9	5.2	6.6	
United Kingdom	Dec 73	-0.2	9.6	3.8	-8.9	
Italy	Jun 73	2.8	20.8	22.2	26.5	
Canada	Dec 73	3.0	13.0	11.7	2.9	

MONEY-MARKET RATES

			Percent Rate of Interest				
Representative Rates			Latest Date		1 Year Earlier	3 Months Earlier	1 Month Earlier
United States	Prime finance paper	25 Jan	8.00	5.75	7.88	8.00	
Japan	Call money	18 Jan	11.50	5.12	8.75	12.00	
West Germany	Interbank loans (3 Months)	25 Jan	11.63	8.00	14.25	13.00	
France	Call money	1 Feb	14.00	7.62	11.25	12.50	
United Kingdom	Local authority deposits	25 Jan	15.81	5.74	12.93	16.91	
Canada	Finance paper	25 Jan	8.75	5.25	9.00	9.50	
Euro-Dollars	Three-month deposits	1 Feb	9.00	7.38	9.38	9.13	

*Seasonally adjusted.

**Average for latest 3 months compared with average for previous 3 months.

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Office of Economic Research/CIA

EXTERNAL ECONOMIC INDICATORS

EXPORTS*

f.o.b.

	Latest Month	Cumulative		
		Million US \$		Percent Change
		1973	1972	
United States	Dec 73	6,930	73,790	43.8
Japan	Dec 73	3,412	35,937	28.9
West Germany	Dec 73	5,436	67,755	45.0
France	Dec 73	3,178	38,838	39.5
United Kingdom	Dec 73	2,384	28,461	24.4
Italy	Nov 73	2,004	19,831	19.8
Canada	Oct 73	2,149	20,233	23.2

EXPORT PRICES

US\$

	Latest Month	Average Annual Growth Rate Since			
		Percent Change from Previous Month		1 Year Earlier	
		Month	1970	Earlier	3 Months Earlier
United States	Nov 73	1.4	9.2	21.5	18.8
Japan	Oct 73	1.8	13.6	25.8	20.8
West Germany	Oct 73	2.0	15.5	38.2	-5.2
France	Sep 73	1.8	15.5	35.2	11.5
United Kingdom	Sep 73	-1.8	9.6	12.8	-8.1
Italy	Aug 73	2.4	10.7	18.4	40.5
Canada	Sep 73	2.2	7.5	17.0	33.5

IMPORTS*

f.o.b.

	Latest Month	Cumulative		
		Million US \$		Percent Change
		1973	1972	
United States	Dec 73	5,990	69,078	24.3
Japan	Dec 73	3,484	31,918	88.0
West Germany	Dec 73	4,520	51,727	36.2
France	Dec 73	2,972	35,428	40.2
United Kingdom	Dec 73	3,154	33,946	37.8
Italy	Nov 73	1,981	21,973	43.8
Canada	Oct 73	2,108	19,020	23.0

EXPORT PRICES

National Currency

	Latest Month	Average Annual Growth Rate Since			
		Percent Change from Previous Month		1 Year Earlier	
		Month	1970	Earlier	3 Months Earlier
United States	Nov 73	1.4	9.2	21.5	18.8
Japan	Oct 73	2.0	3.8	11.1	31.5
West Germany	Oct 73	1.7	1.8	4.6	4.5
France	Sep 73	2.7	6.3	14.3	12.4
United Kingdom	Sep 73	0.5	9.1	12.8	15.5
Italy	Aug 73	0.8	7.6	16.7	30.0
Canada	Sep 73	2.2	6.3	18.7	33.5

TRADE BALANCE*

f.o.b./f.o.b.

	Latest Month	Cumulative (Million US \$)		
		Million US \$		Change
		1973	1972	
United States	Dec 73	940	1,714	-8,046
Japan	Dec 73	-53	4,019	-4,864
West Germany	Dec 73	916	16,028	7,293
France	Dec 73	205	1,408	1,129
United Kingdom	Dec 73	-770	-5,485	-1,751
Italy	Nov 73	23	-2,143	1,253
Canada	Oct 73	43	1,213	957

IMPORT PRICES

National Currency

	Latest Month	Average Annual Growth Rate Since			
		Percent Change from Previous Month		1 Year Earlier	
		Month	1970	Earlier	3 Months Earlier
United States	Nov 73	3.4	12.3	20.5	33.5
Japan	Oct 73	2.4	3.5	16.8	29.4
West Germany	Oct 73	1.9	0.7	4.3	16.8
France	Sep 73	4.0	8.0	11.9	45.1
United Kingdom	Sep 73	5.5	14.8	41.5	65.2
Italy	Aug 73	3.5	13.4	34.2	72.6
Canada	Sep 73	0.7	5.4	12.5	11.5

BASIC BALANCE**

Current and Long-Term-Capital Transactions

	Latest Period	Cumulative (Million US \$)		
		Million US \$		Change
		1973	1972	
United States*	73 III	2,540	990	-8,400
Japan	Dec 73	-1,191	-9,862	2,184
West Germany	Oct 73	925	3,445	3,867
France	73 II	17	-559	-202
United Kingdom	73 III	-522	-1,844	-1,347
Italy	72 IV	800	N.A.	2,983
Canada	73 II	93	-151	434

EXCHANGE RATES

As of 1 Feb 74

	Spot Rate	Percent Change from			
		US \$		18 Dec 1971	
		Per Unit	Dec 66	1971	1973
Japan (Yen)	0.0034	22.04	3.70	-11.46	0.72
West Germany (Deutsche Mark)	0.3644	44.95	17.43	2.91	3.55
France (Franc)	0.2006	-0.64	1.88	-8.98	5.14
United Kingdom (Pound Sterling)	2.2648	-18.84	-13.08	-7.97	2.83
Italy (Lira)	0.0015	-4.87	-11.45	-13.95	2.21
Canada (Dollar)	1.0125	9.77	1.47	1.48	0.14

OFFICIAL RESERVES

	Latest Month	Billion US \$			
		Billion US \$		1 Year Earlier	
		End of	Jun 1970	Earlier	3 Months Earlier
United States	Dec 73	14.4	18.3	13.2	14.0
Japan	Jan 74	11.6	4.1	17.9	14.0
West Germany	Dec 73	33.1	8.8	23.8	35.3
France	Dec 73	8.5	4.4	10.0	11.2
United Kingdom	Jan 74	6.2	2.8	5.7	6.8
Italy	Dec 73	6.4	4.7	6.1	6.5
Canada	Dec 73	5.8	4.3	6.1	5.5

TRADE-WEIGHTED EXCHANGE RATES***

As of 1 Feb 74

	Percent Change from			
	Dec 66		18 Dec 1971	
	1971	1973	1973	1974
United States	-13.00	-3.75	2.88	-1.43
Japan	13.34	-0.29	-12.12	0.01
West Germany	29.35	12.49	7.51	0.69
France	-17.63	-4.29	-6.74	2.33
United Kingdom	-35.05	-20.90	-6.55	0.93
Italy	-21.37	-20.12	-13.27	-0.84
Canada	7.95	1.35	2.98	-0.39

*Seasonally adjusted.

**Converted into US dollars at current market rate of exchange.

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***Weighting is based on each listed country's trade with 18 other industrialized countries to reflect the competitive impact of exchange-rate variations among the major currencies.